

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

Bluestone Innovations Texas, L.L.C.	)	
	)	
Plaintiff,	)	
	)	
v.	)	C.A. No.: 2:10-CV-171
	)	Jury Trial Demanded
Formosa Epitaxy Inc.;	)	
Huga Optotech, Inc.;	)	
Nichia Corporation;	)	
Nichia America Corporation;	)	
Showa Denko K.K.;	)	
Showa Denko America, Inc.;	)	
Tekcore Co., Ltd.;	)	
Toyoda Gosei Co., Ltd.;	)	
Toyoda Gosei North America Corporation;	)	
Toyoda Gosei Texas, L.L.C.; and	)	
Walsin Lihwa Corporation,	)	
	)	
Defendants.	)	

**DEFENDANT NICHIA CORPORATION AND  
NICHIA AMERICA CORPORATION’S ANSWER TO  
FIRST AMENDED COMPLAINT AND COUNTERCLAIMS**

Defendants Nichia Corporation and Nichia America Corporation

(collectively “Nichia”) files this Answer and Counterclaims in response to Bluestone Innovations Texas, L.L.C.’s (“Bluestone”) August 5, 2010 First Amended Complaint For Patent Infringement [D.I. 11] (hereinafter “Amended Complaint”):

**ANSWER**

**I. THE PARTIES**

1. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 1 of the Amended Complaint, and accordingly these allegations are denied.

2. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 2 of the Amended Complaint, and accordingly these allegations are denied.

3. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 3 of the Amended Complaint, and accordingly these allegations are denied.

4. Nichia admits that Nichia Corporation is a foreign corporation existing under the laws of Japan with a principal place of business located at 491 Oka, Kaminaka-Cho, Anan-Shi, Tokushima 774-8601, Japan. Nichia admits it has a subsidiary in the United States, with locations in Torrance, California, Duluth, Georgia, and Wixom, Michigan. Except as so admitted, Nichia denies the remaining allegations of Paragraph 4 of the Amended Complaint.

5. Nichia admits that Nichia America Corporation is a subsidiary of Nichia Corporation in the United States with a principal place of business located at 48561 Alpha Drive, Suite 100, Wixom, MI 48393.

6. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 6 of the Amended Complaint, and accordingly these allegations are denied.

7. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 7 of the Amended Complaint, and accordingly these allegations are denied.

8. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 8 of the Amended Complaint, and accordingly these allegations are denied.

9. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 9 of the Amended Complaint, and accordingly these allegations are denied.

10. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 10 of the Amended Complaint, and accordingly these allegations are denied.

11. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 11 of the Amended Complaint, and accordingly these allegations are denied.

12. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 12 of the Amended Complaint, and accordingly these allegations are denied.

13. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 13 of the Amended Complaint, and accordingly these allegations are denied.

## **II. JURISDICTION AND VENUE**

14. Nichia admits that Paragraph 14 of the Amended Complaint alleges that this action is for patent infringement arising under the Patent Laws of the

United States (Title 35 of the United States Code). For the purposes of this action only, Nichia will not contest that this Court has subject matter jurisdiction and that Nichia is subject to the Court's specific and general personal jurisdiction. Except as so admitted, Nichia denies the remaining allegations of Paragraph 14 of the Amended Complaint to the extent the allegations relate to Nichia. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 14 of the Amended Complaint regarding the other Defendants, and accordingly these allegations are denied.

15. Nichia denies the allegations of Paragraph 15 of the Amended Complaint to the extent the allegations relate to Nichia. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 15 of the Amended Complaint regarding the other Defendants, and accordingly these allegations are denied.

16. For the purposes of this action only, Nichia will not contest that it is subject to this Court's general jurisdiction. Nichia denies the allegations of Paragraph 16 of the Amended Complaint to the extent the allegations relate to Nichia. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 16 of the Amended Complaint regarding the other Defendants, and accordingly these allegations are denied.

17. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 17 of the Amended Complaint, and accordingly these allegations are denied.

18. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 18 of the Amended Complaint, and accordingly these allegations are denied.

19. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 19 of the Amended Complaint, and accordingly these allegations are denied.

20. Nichia admits that it has filed suit in the Eastern District of Texas to enforce at least U.S. Patent No. 5,998,925 and U.S. Patent No. 7,026,756. Except as so admitted, Nichia denies the remaining allegations of Paragraph 20 of the Amended Complaint.

21. For purposes of this action only, Nichia does not contest that venue is proper in this district. Nichia denies that this district is a convenient forum. Nichia denies the remaining allegations of Paragraph 21 of the Amended Complaint to the extent these allegations relate to Nichia. Nichia is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 21 of the Amended Complaint regarding the other Defendants, and accordingly these allegations are denied.

### **III. FACTUAL ALLEGATIONS**

To the extent the headings in section III of the Amended Complaint can be read to include factual allegations, Nichia states that:

a. Nichia denies the allegations to the extent the allegations relate to Nichia;

b. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations regarding the other Defendants, and accordingly these allegations are denied.

22. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 22 of the Amended Complaint, and accordingly these allegations are denied.

23. Nichia admits that United States Patent No. 6,163,557 (“the ‘557 Patent”) is, on its face, entitled “Fabrication of Group III-V Nitrides on Mesas” and a copy of the ‘557 Patent was attached to the Amended Complaint. Nichia denies all other allegations of Paragraph 23 of the Amended Complaint.

24. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 24 of the Amended Complaint, and accordingly these allegations are denied.

25. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 25 of the Amended Complaint, and accordingly these allegations are denied.

26. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 26 of the Amended Complaint, and accordingly these allegations are denied.

27. Nichia admits that it has engaged in the sale of the NS6W083A Power LED in the Eastern District of Texas. Nichia denies the allegations of Paragraph 27 of the Amended Complaint to the extent the allegations relate to direct infringement. No response is required to the allegations of Paragraph 27 of the Amended Complaint to

the extent the allegations relate to indirect infringement; those allegations are subject to Nichia's pending motion to dismiss or, in the alternative, for a more definite statement. Except as so admitted, Nichia denies the remaining allegations of Paragraph 27 of the Amended Complaint.

28. Nichia denies the allegations of Paragraph 28 of the Amended Complaint to the extent the allegations relate to direct infringement. No response is required to the allegations of Paragraph 28 of the Amended Complaint to the extent the allegations relate to indirect infringement; those allegations are subject to Nichia's pending motion to dismiss or, in the alternative, for a more definite statement.

29. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 29 of the Amended Complaint, and accordingly these allegations are denied.

30. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 30 of the Amended Complaint, and accordingly these allegations are denied.

31. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 31 of the Amended Complaint, and accordingly these allegations are denied.

32. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 32 of the Amended Complaint, and accordingly these allegations are denied.

33. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 33 of the Amended Complaint, and accordingly these allegations are denied.

34. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 34 of the Amended Complaint, and accordingly these allegations are denied.

**CAUSE OF ACTION  
(COUNT 1 – ALLEGED INFRINGEMENT OF THE ‘557 PATENT)**

35. Nichia hereby incorporates by reference its responses to each of Paragraphs 1 through 34 above.

36. Nichia denies the allegations of Paragraph 36 of the Amended Complaint to the extent the allegations relate to Nichia. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 36 of the Amended Complaint regarding the other Defendants, and accordingly these allegations are denied.

37. Nichia denies the allegations of Paragraph 37 of the Amended Complaint to the extent the allegations relate to Nichia. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 37 of the Amended Complaint regarding the other Defendants, and accordingly these allegations are denied.

38. Nichia denies the allegations of Paragraph 38 of the Amended Complaint to the extent the allegations relate to Nichia. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 38 of



the Amended Complaint regarding the other Defendants, and accordingly these allegations are denied.

39. Nichia denies the allegations of Paragraph 39 of the Amended Complaint to the extent the allegations relate to Nichia. Nichia is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 39 of the Amended Complaint regarding the other Defendants, and accordingly these allegations are denied.

#### **PLAINTIFF'S PRAYER FOR RELIEF**

Nichia denies that Bluestone is entitled to the relief requested or any other relief.

#### **FIRST AFFIRMATIVE DEFENSE – FAILURE TO STATE A CLAIM**

40. Bluestone has failed to state a claim upon which relief can be granted.

#### **SECOND AFFIRMATIVE DEFENSE – PATENT INVALIDITY**

41. Each and every claim of the '557 Patent is invalid under 35 U.S.C. §§ 101, 102, 103 and/or 112.

#### **THIRD AFFIRMATIVE DEFENSE – NONINFRINGEMENT**

42. Nichia has not infringed, contributorily infringed, or induced the infringement of any valid claim of the '557 Patent, either literally or under the doctrine of equivalents.

43. Nichia has not willfully infringed, contributorily infringed or induced the infringement of any valid claim of the '557 Patent, either literally or under the doctrine of equivalents.

**FOURTH AFFIRMATIVE DEFENSE –  
PROSECUTION HISTORY ESTOPPEL AND/OR DISCLAIMER**

44. Bluestone's claims are barred in whole or in part due to prosecution history estoppel and/or prosecution history disclaimer.

**FIFTH AFFIRMATIVE DEFENSE –  
EQUITABLE DOCTRINES OF LACHES AND ESTOPPEL**

45. Bluestone and/or Bluestone's predecessors in interest delayed filing suit for an unreasonable and inexcusable length of time from the time they knew or reasonably should have known of their alleged claims against Nichia, and the delay operated to cause prejudice and injury to Nichia.

46. Under the equitable doctrine of laches, Bluestone is not entitled to recover any alleged damages from Nichia that allegedly incurred prior to May 26, 2010, the date this action was filed.

47. Bluestone and/or Bluestone's predecessors in interest, through misleading conduct, led Nichia to reasonably believe that Bluestone did not intend to enforce the '557 Patent against Nichia.

48. Nichia relied on Bluestone and/or Bluestone's predecessors in interest's conduct, and due to its reliance, Nichia will be materially prejudiced if Bluestone is allowed to proceed with their claim of infringement of the '557 Patent.

49. Accordingly, under the doctrine of equitable estoppel, the '557 Patent is unenforceable against Nichia.

**RIGHT TO ASSERT ADDITIONAL DEFENSES**

50. Nichia expressly reserves the right to assert and pursue additional defenses based on information learned, gathered, and/or collected subsequent to the preparation of this Answer, including any and all defenses based in whole or in part of

the conduct of the alleged inventors named in the '557 Patent, their attorneys and/or agents during prosecution of the '557 Patent.

**WHEREFORE**, Nichia prays for the following relief:

1. That Bluestone take nothing by way of its Amended Complaint, that judgment be entered in favor of Nichia, and the Amended Complaint be dismissed with prejudice;
2. That this is an exceptional case within the meaning of 35 U.S.C. § 285 and that Bluestone be required to pay Nichia's costs of suit incurred in defense of this action including its reasonable attorneys' fees, costs, and expenses; and
3. Such other relief as the Court deems just and proper.

**NICHIA’S COUNTERCLAIMS**

1. Nichia Corporation is a corporation existing under the laws of Japan with a principal place of business located at 491 Oka, Kaminaka-Cho, Anan-Shi, Tokushima 774-8601, Japan.
2. Nichia America Corporation (“Nichia America”) is a subsidiary of Nichia Corporation in the United States with a principal place of business located at 48561 Alpha Drive, Suite 100, Wixom, MI 48393.
3. On information and belief, Plaintiff Bluestone Innovations Texas, L.L.C. is a limited liability company existing under the laws of the State of Texas.
4. These counterclaims are for declaratory judgment relief arising under 28 U.S.C. §§ 2201 and 2202, and the Patent Laws of the United States, 35 U.S.C. § 101, et seq.
5. Subject matter jurisdiction is proper under 28 U.S.C. §§ 1331, 1338(a), and 1367.
6. Venue in this district is proper for Nichia’s counterclaims under 28 U.S.C. § 1391(b) and (c).

**COUNT I  
DECLARATORY JUDGMENT OF  
NONINFRINGEMENT OF THE ‘557 PATENT**

7. Nichia incorporates by reference the allegations made in Paragraphs 1-50 of Nichia’s Answer and in Paragraphs 1-6 of Nichia’s Counterclaims above.
8. An actual controversy exists between Nichia and Bluestone over Nichia’s alleged infringement of the ‘557 Patent.

9. Nichia has not infringed, contributorily infringed, or induced the infringement of any valid claim of the '557 Patent, either literally or under the doctrine of equivalents.

10. Nichia has not willfully infringed, contributorily infringed, or induced the infringement of any valid claim of the '557 Patent, either literally or under the doctrine of equivalents.

11. Bluestone's claims that Nichia has infringed, contributorily infringed or actively induced the infringement of the '557 Patent, and that Nichia is continuing to do same, render this case exceptional within the meaning of 35 U.S.C. § 285, entitling Nichia to recover its attorneys' fees, costs and expenses incurred in defending this action.

**COUNT II**  
**DECLARATORY JUDGMENT OF**  
**INVALIDITY OF THE '557 PATENT**

12. Nichia incorporates by reference the allegations made in Paragraphs 1-11 of Nichia's Counterclaims above.

13. An actual controversy exists between Nichia and Bluestone over the invalidity of the '557 Patent.

14. All claims of the '557 Patent are invalid for failure to comply with one or more requirements of 35 U.S.C. §§ 101, 102, 103 and/or 112.

15. By asserting the '557 Patent against Nichia, the claims of which are invalid, Bluestone has made this case exceptional, entitling Nichia to recover its attorneys' fees, costs, and expenses incurred in this action.

**RIGHT TO ASSERT ADDITIONAL COUNTERCLAIMS**

16. Nichia expressly reserves the right to assert and pursue additional counterclaims based on information learned, gathered, and/or collected subsequent to the preparation of this Answer, including any and all counterclaims based in whole or in part of the conduct of the alleged inventors named in the '557 Patent, their attorneys and/or agents during prosecution of the '557 Patent.

**PRAYER FOR RELIEF**

For the reasons set forth above, Nichia prays for the Court's judgment that:

- a) Each claim of the '557 Patent is invalid;
- b) Nichia has not infringed, contributorily infringed, or induced the infringement of any claim of the '557 Patent;
- c) Plaintiff's Amended Complaint be dismissed with prejudice;
- d) Plaintiffs take nothing by reason of its claims against Nichia;
- e) this case is exceptional and entitles Nichia to an award of its costs, expenses and attorneys' fees under 35 U.S.C. § 285; and
- f) Nichia be granted such other and further relief at law or equity as the Court may deem just and proper.

**DEMAND FOR JURY TRIAL**

Nichia demands trial by jury on all issues triable by jury.

Dated: January 3, 2011

Respectfully Submitted,

By: /s/ Robert P. Parker (by Collin Maloney with permission

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by facsimile transmission and/or first class mail this 3<sup>rd</sup> day of January, 2011.

/s/ Collin Maloney